



# Virginia's Performance Accountability Model

## Virginia Performs

November 24, 2008

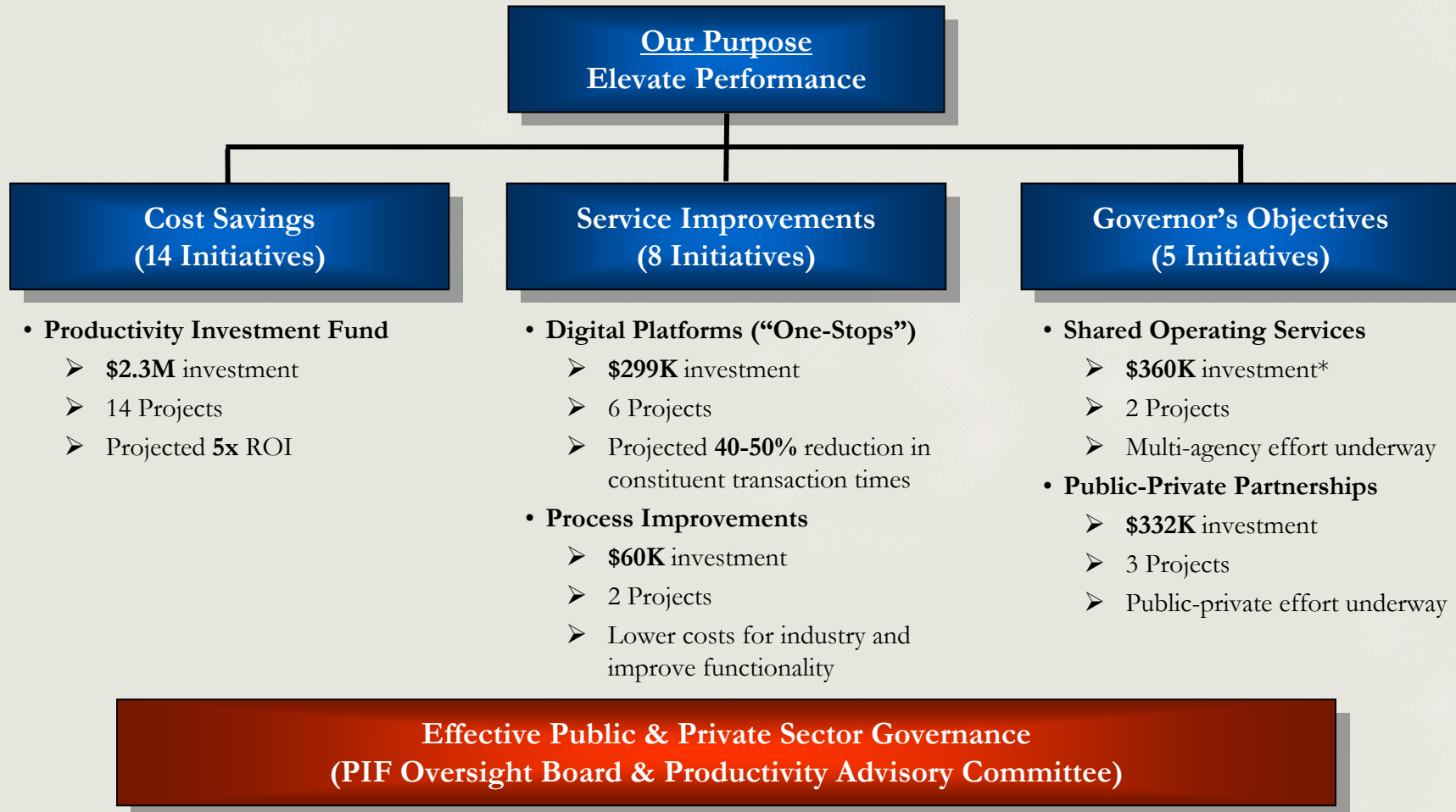


# Virginia Performs

## Accelerating Productivity Improvement

The Honorable Aneesh P. Chopra

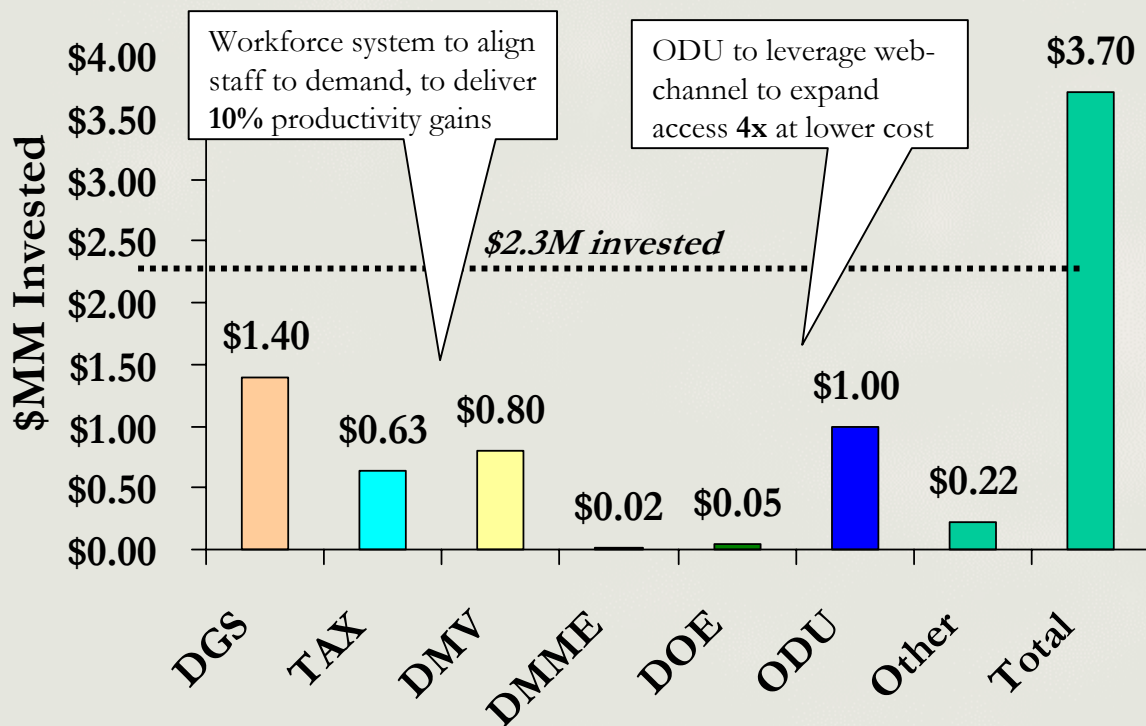
# A Portfolio Management Approach to Deliver Productivity Investments



\*Does not include \$11M dedicated towards VEAP Project Planning

# Cost Savings Portfolio Expected to Return 5x ROI After Three Years

## Annualized Savings Potential – Base Case



### Productivity Investment Fund in Brief

**Capital:** Governor Kaine established **\$3M** fund in **January 2007** to simplify government operations

**Portfolio:** Across three rounds, we have invested **\$2.3M** to fund the following **savings** initiatives:

- DGS: Consolidated Mail
- Dept of Tax: E-file programs, Bulk Upload, Upgrade iReg, KFI
- DMV: Workforce Mgmt System
- DMME: Field GIS
- DOE: Google Apps for K12
- DOC: Release Card pilot
- ODU: VIDEO-D-U, Learning Pods
- UVA: Improve high risk prenatal care
- DOAV: Training/Travel Data-Sharing Network

*Using the base case, the 3-year return per dollar invested is approximately \$5*



# “Business One Stop” Portal Accelerates New Company Formation

**BUSINESS 1 STOP**

Virginia's Business One Stop system is a service provided by the Virginia Department of Business Assistance. The purpose of the service is to accelerate business formation in the Commonwealth and thereby contribute to our economic prosperity. This service provides specific licensing, permitting and registration requirements for the user's business situation and assists with partial completion of the necessary forms.

While our ultimate vision of the Business One Stop system is to include business formation requirements for all new business types and to be the channel through which existing businesses communicate with the state, the implementation of the Business One Stop system will be in phases. The scope of phase one will help with the creation of NEW Virginia businesses only. Further, Phase One is designed to help with relatively simple business types and in broad industry sectors. Entrepreneurs interested in starting a Professional Corporation (P.C.) or a Professional Limited Liability Corporation (P.L.L.C.) should not use this system. Companies with unique formation requirements like banks, insurance companies, utilities etc. should not use this system. In addition, Phase One of Virginia's Business One Stop system is not designed to assist with registration for foreign business entities seeking to operate in Virginia, or with nonprofit organization and/or charity formation. For questions about using this system to start your business or other feedback, please email the Virginia Department of Business Assistance at [vbic@vdba.virginia.gov](mailto:vbic@vdba.virginia.gov).

**NOTICE:** This is a new service that will be enhanced frequently. If you encounter any issues, please contact the Virginia Department of Business Assistance at [vbic@vdba.virginia.gov](mailto:vbic@vdba.virginia.gov).

**Are You Ready?**

The Virginia's Business One Stop is designed to accelerate new business formation in Virginia's economy and workforce.

**First, we want to make sure you are ready by asking 7 questions :**

Are you starting a **new** for profit business in Virginia?

☐ Yes

☐ No

Have you decided on your business entity type (Sole Proprietor, Partnership, etc.)?

☐ Yes

☐ No

Do you have a Federal Employer ID number (FEIN)?

☐ Yes

☐ No

Do you have a business location (physical address)?

☐ Yes

☐ No

If you are a home-based business, have you contacted your local jurisdiction to see if the activity is permissible under local zoning regulations?

☐ Yes

☐ No

Will your business sell alcoholic beverages?

## “Best State for Business”

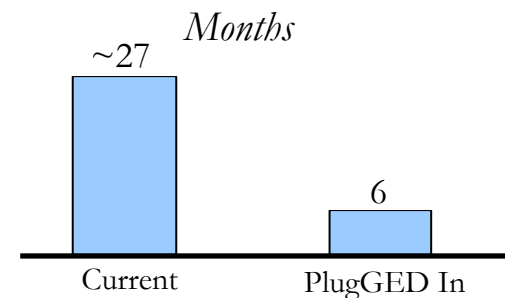
- The One Stop Portal has processed **3,700+ registrations** since its launch, **May 2008**, after only **~8 weeks** in development
- DBA estimates that **users have saved between 3-5 days** during the incorporation process based on recent survey responses (**14** questions now replace up to **107** one would have had to fill)
- Former EBay CEO, **Meg Whitman**, “applauded Virginia for its efforts to help start-ups and small businesses by streamlining the registration process to operate in the state” at the **11/08 NVTC** gala
- **Phase II:** The new, more robust portal is in the planning stages with the implementation date set for **May 2009**; it will be **self-financed** (no longer dependent on GF funding) following **\$150,000** initial investment

# Uncovering Hidden IT Talent

## PLUGGED IN

- An accelerated program to help **18-24 year olds** who lack a high school diploma earn a **GED credential, Career Readiness Certificate** and complete **targeted technology workforce training** that will prepare them for entry-level work in the technology sector
- First program will begin in **February 2009** with **15-20 students** at the **Southwest Technology Development Center** in **Lebanon, VA**

### Time to be "Job-Ready"



### *Workforce Development Strategic Plan*

**Goal #2** – Locate candidates who, with a modest investment in training, have the potential to become highly productive employees and can help fill high-wage, high-tech jobs in the Commonwealth

# DMV Case Study Highlights Administrative Cost Savings Opportunity

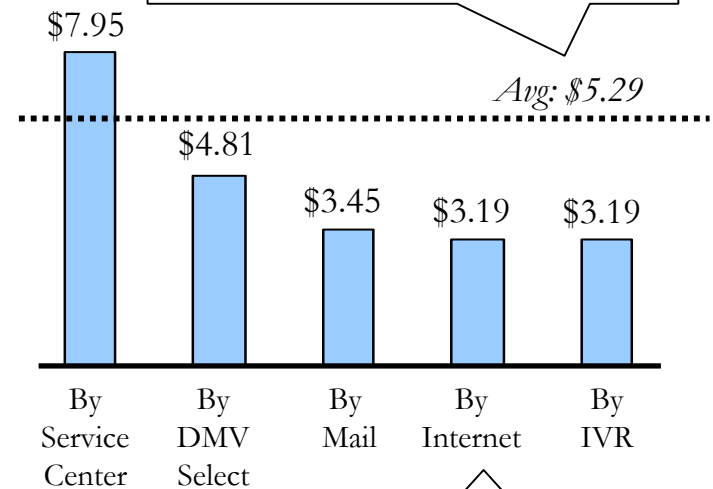
## DMV Productivity Measure

- DMV currently uses Activity Based Costing to monitor and evaluate its activities for cost effectiveness. This allows DMV to determine unit costs across an array of activities.
- Vehicle Registration Renewals represent the highest volume activity at DMV and impact most Virginians on an annual basis.
- Vehicle Registration revenue primarily supports Virginia's Highways, but DMV retains **\$4** out of every registration to cover administrative costs.
- **Measure** - DMV will reduce the average cost of completing a vehicle registration renewal transaction by moving transactions to cost effective delivery channels
- Pursuing cost effective service delivery will support two of DMV's Key Performance Measures: **Customer Wait Time** and **Customer Churn Rate**

## Virginia DMV

### Cost to Renew Vehicle Registration

**Customer Choice:** Majority choose a cost-effective method, but those who don't drive up DMV's costs and wait times for other customers



**Room for Growth:** Only 17.8% of all renewals take place over the web in March, up from 16.5% in March 2007

## Payer-Provider Collaborative to Lower Transaction Costs

### Free Web-Based Provider Portal(s)

**Medicaid Web-Based Claims Initiative -**  
*DMAS awarded a **\$360K** grant to build a **web-based** claims tool for **small providers***

**VHEN Universal Eligibility Portal -**  
*DMAS is a founding member of **Virginia Health Exchange Network** – a consortium payers and providers committed to lowering administrative costs; vendor selection **12/08***

### Medicaid Benefit

DMAS handles **4M+** paper claims annually which are **5x** more likely to be rejected; this results in additional processing costs and rework (billed at \$.25 per claim)

In addition, **1.2M** claims are rejected because the patient wasn't eligible; providers could avoid this hassle by checking eligibility (free)

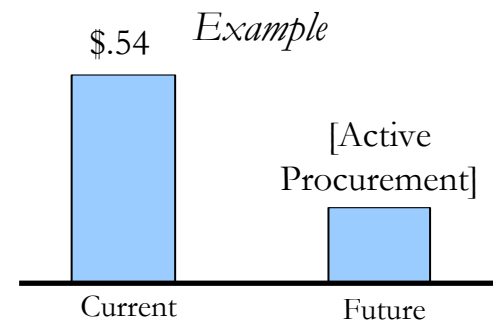
### DMAS Productivity Measure

**Measure:** Unit cost of processing Medicaid claims

**Definition:** The unit cost (calculated quarterly) is the payment to the fiscal agent (processes claims on agency's behalf) plus DMAS administrative costs divided by the number of claims processed

**Initiatives:** DMAS pursuing efficiencies by encouraging web-based claims submission and adding contract provisions to new fiscal agent

### DMAS "Cost per Claim"





# Unsolicited PPEA to Modernize Approach to Health Benefits

## Health Plan IT-Related Services

*Virginia Department of Human Resources*



**DHRM** has accepted an unsolicited proposal under the **PPEA** act to provide wrap-around services for the **Employee Health Plan**

Many firms have proposed to **lower costs** for the Commonwealth by creating a data warehouse with **business intelligence** and a **customer service** center to help advise state employees on the intervention that will most likely resolve their problem at the lowest cost

Goal to **prevent duplicative care** and **minimize challenges** felt by employees navigating the complex healthcare system

## Finalists\*

*Award Expected Winter 2008*



“DHRM’s comprehensive care management vision is truly **ground breaking**. Once operational, it will mark COVA as a leader among state employee medical plans and private industry...”

*Joe Marlowe – Aon Consulting, May 2008*

\*Proposals Available at <http://www.dhrm.virginia.gov/rfps/ppea/ppeatoc.html>

# Hampton Roads Uniquely Positioned as National Leader on Health IT



**Pilot Project to Lower Costs, Increase Quality, Promote Safety for Military, VA**  
Endorse Hampton Roads pilot linking civilian and military/VA health systems; potential initiatives leverage CCD reporting through PHR systems for **pediatric consultants** between Portsmouth Naval and civilian providers; additional “value cases” to be developed as opportunities arise to serve **50,000+** Wounded Warriors and families

## HITSP-Approved Continuity of Care Document

### Demographics

Social Security Number  
Name  
Gender  
Birth time  
Address  
Phone number  
Next of Kin information

### Problems/Results

All inpatient, ED, outpatient  
visit diagnosis in the date  
range requested  
  
All Lab results (chem, hem,  
urinalysis, blood gases etc.)  
  
All reports from CT Scan,  
Pathology/Biopsy, X-ray,  
MRI, Cardiac Catheterization,  
EEG, ECG/EKG, PET  
Scan, Pulmonary Function,  
Cardiac Reports and Tests

### Procedures/Summary

Inpatient, ED, Outpatient  
procedures  
  
All discharge summaries from  
Inpatient stays  
  
All Operative notes  
  
All ED visit summaries  
  
Letters  
  
Phone calls  
  
Encounter summaries

# Virginia Performs

## Response Panel

The Honorable Wayne Turnage  
The Honorable Richard D. Brown  
The Honorable Aneesh P. Chopra  
Daniel S. Timberlake